

Confirmed Board Minutes

Title of Meeting: NRW Board Meeting (Business)

Date of Meeting: 18th January 2018 **Venue:** Reichel Building, Bangor
University Campus
Bangor

Board Members: Diane McCrea (Chair)
Dr Madeleine Havard (Deputy Chair)
Sir Paul Williams (Chair of People and Remuneration Committee)
Nigel Reader
Andy Middleton (Chair of Protected Areas Committee)
Dr Elizabeth Haywood
Howard Davies
Zoë Henderson
Dr Ruth Hall
Chris Blake
Karen Balmer (Chair of Audit and Risk Assurance Committee)
Kevin Ingram (Interim Chief Executive)

Executive Team (ET) in attendance: Gareth O'Shea (Executive Director, Operations South)
Catherine Smith (Director for Customer, Communications and Information)
Ceri Davies (Executive Director of Evidence, Policy and Permitting)
Tim Jones (Executive Director, Operations North)
Niall Reynolds (Transformation Portfolio Director/ Interim Executive Director Finance and Corporate Services)

Additional Attendees: Euros Jones (Operations Manager North Operations) for item 2
Mark Hughes (Performance Manager, Governance) for item 3
Rob Bell (Head of Finance, Business Finance) for items 4 and 5
Pete Gough (Principle Advisor Fisheries) for item 8

Secretariat: Geri Mills
Noemi Donigiewicz

1. Standard Board Business

1.The Chair welcomed everyone to the meeting, confirming that this was a meeting held in public, not a public meeting.

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Apologies

2. Apologies for Absence were received from Ashleigh Dunn, Executive Director ODPM.

Declarations of interest

3. The Board noted the following amendments to existing declarations:

- Howard C. Davies confirmed membership of the International Union for the Conservation of Nature (IUCN) World Commission on Protected Areas
- Ruth Hall appointed as Non-Executive Director Health Education and Improvement Wales from 1st February 2018
- Elizabeth Haywood's term at the SP Energy Network has finished.

Minutes of the meeting 20th September 2017

4. Chair confirmed that the minutes were reviewed and confirmed at the private meeting held in November 2017 and were available on the NRW website.

Review of Business Action Log

Action point 1 – Board Member Activity Log – Secretariat reviewing format

Action point 2 – to be discussed under Performance Reporting

Action point 3 – actioned and discharged within Performance Reporting presentation

Action 4 – Audit and Risk Assurance Committee have reviewed Policy

Action Point number 5 – 'Beehive' project. Ashleigh Dunn/Ceri Davies to present a briefing paper at the February 2018 Board Update Call.

Action Point number 6. – Secretariat to review expenses scheme and submission template and present to People and Remuneration Committee for review on behalf of the NRW Board.

2. Operations North and Mid – Presentation

5. Tim Jones introduced Euros Jones to the Board giving a presentation covering the innovative approach taken in the Operational area to meet the challenge of managing natural resources in a sustainable way.

6. The projects discussed included:

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- Upper Conwy Riverlands Catchment – the work done in partnership with the National Trust relating to salmon stocks. The team are working to improve the river habitat by working with farmers. The project has been underway for a number of years demonstrating significant and measurable benefits for salmon and trout.
- Cemaes : the team are working to improve the water quality working with Aberystwyth University and local farmers to lower bacterial concentration in the water, to improve the failing water quality.
- Llyn Landscape Partnership : The Llyn project takes an innovative approach to joint funding and risk-sharing, has a place-based focus using national priorities, and will provide a working Payment for Eco Systems example. The specific initiative demonstrated was an assessment of the use of heathland bedding to investigate if cutting and using heather and gorse under straw bedding is attractive and practical for farmers on the coast, saving on the cost of straw and making heaths a useful and valued resource for the farm.

7. The Board noted the excellent and informative presentation noting the following:

- Very comprehensive snapshot which demonstrates the delivery of both the Future Generation Well-being Objectives and Sustainable Management of Natural Resources.
- The success of the projects dealing with trout and salmon.
- Cemaes Bay - opportunities from this model that can be shared across Wales.
- Exemplar future ways of working in practice, with opportunity to share lessons and knowledge with colleagues across NRW, linked to place based approaches.

8. The Board asked Euros to extend their thanks to the local teams for innovation and excellent stakeholder working demonstrated across the 3 projects presented.

Action Point: Euros Jones to share further information on the heathland's project with Board Members and the full presentation.

3. Performance Indicator Report 2017/18: Period Two (NRW B B 1.18)

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9. The Board welcomed Mark Hughes to the meeting who presented the paper to enable the Board to scrutinise the performance report for period 2 of 2017/18, in advance of approving it and sending to Welsh Government for noting. The Board noted that the format of the performance reporting will change in line with the new Corporate Plan, which is with the Cabinet Secretary for review and approval.

10. The Board were asked to consider:

- The adequacy of the supporting explanation for each measure and how we are adopting ways of working that demonstrate the application of sustainable management of natural resources,
- The mitigations and actions proposed to address risks to delivery

11. Kevin Ingram gave a presentation to the Board supporting the paper presented. It was noted that actions and mitigations in the report were consistent with the Board's risk appetite.

12. Kevin Ingram summarised achievements to date noting

1 red measure in respect of the creation of an additional 250 hectares of habitat

10 amber measures, noted within annex A

22 green measures, noted within annex A

1 target measure is still to be confirmed in respect of incident response

13. Kevin Ingram highlighted the following challenges and successes for the 8-month reporting period:

NRW Laboratory Launch: Our brand-new facility for scientific analysis on the Swansea University's Singleton Campus was officially opened by the Minister for Environment, Hannah Blythyn AM.

UKWAS: The UK Woodland Assurance Standard is an independent certification standard for verifying sustainable woodland management in the United Kingdom. This year's independent UKWAS audit report has identified some issues, which we will address together with Welsh Government. A detailed action plan is being developed to respond to UKWAS by the end of February.

High Public Interest sites: We continue to learn lessons about our communications around sites that attract high public interest, examples include, Hazrem and Barry biomass, and Roath.

Welsh Government - We are building more proactive dialogue with economic policy colleagues in Welsh Government.

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Storm Eleanor: Wales did not see the disruption initially feared from Storm Eleanor despite a combination of 80mph winds and high tides. NRW received widespread coverage, often as the lead voice across the UK - fulfilling our warning and informing remit and positioning NRW as an authoritative source during incidents.

Bathing waters: Cemaes Bay continues to present a challenge, the beach has failed on bathing water quality, and we are working with the local community to address this, as highlighted in the presentation.

Corporate Plan: The final version of NRW's Corporate Plan to 2022 went to Welsh Government for submission to the Minister for review and approval on 4th January 2018.

New Chief Executive sessions: NRW's incoming Chief Executive Clare Pillman has already started to meet up with staff, spending some time in north Wales visiting some NRW sites and meeting staff in our Clawdd Newydd office near Ruthin.

Team NRW campaign: Over Christmas, the Communications team shared work stories over social media to demonstrate to the public, the diverse nature of the work of NRW.

Waste prosecutions: NRW reported that recent proceeds of crime prosecutions had resulted in a confiscation order of over £300k. The defendant was also given a suspended sentence and disqualified as a Director for five years. The original prosecution was in relation to operating without a permit and failing to properly store waste. In November, another prosecution in relation to large scale waste and water related offences resulted in fines totalling £230k and the defendant being given a suspended prison sentence – this is the latest in a chain of prosecutions.

Nantgaredig : Following appeal, a large DCWW water abstraction at Nantgaredig has now been varied to better protect fish spawning – the result of considerable work by water resources, water quality and legal teams over a period of year.

13. The Board provided the following feedback on the performance indicators:

Maintenance of Flood Assets - a need to understand the risk exposure around the maintenance of High Risk Assets which will be continually monitored by the Board.

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14. Gareth O'Shea assured the Board that contingency plans are in place around the assets that require maintenance and offered to provide a presentation at a future Board Meeting.

Action Point: Gareth O'Shea (Jeremy Parr/Richard Kellad) to present the FRMAG briefing to the full Board, Secretariat to note forward look.

Area Statements - Timetable has changed as we awaited publication of the WG Natural Resources Policy.

15. Gareth O'Shea confirmed that work is being delivered to promote the use of Area statements externally to the organisation and would share a further briefing with the Board Members for information.

Action Point: Gareth O'Shea to share briefing note with Board Members.

Cyfle Programme - The Board highlighted opportunities for engagement with partners to deliver the Cyfle programme to overcome resource challenges.

Action Point: Tim Jones to provide briefing for the February NRW Board update call

Team NRW Campaign - highlighted concerns over the number of staff targets which are currently amber and noted the Team NRW Campaign.

16. Catherine Love confirmed that over the Christmas period this was expanded to include internal and external communications that focused a spot light on staff members working over the Christmas period.

Restocking – highlighted a need for the target around tree planting and restocking to be achieved to improve resilience and protect designated sites.

17. Ceri Davies confirmed the target is on track for delivery by the end of the performance year. Due to tree disease NRW has felled more timber than planned whilst also maintaining the market requirements for trees. The land bank issue was more problematic: plans are to be put in place to close the gap supported by additional funding from Welsh Government. Tim Jones explained that tree planting is underway during the winter months whilst the trees are dormant. NRW have been trialing mechanical planting which is proving successful and productive. The Board noted resource pressures in this area, which would need to be reflected within the Organisational Design programme.

Public Service Boards (PSBs) – NRW is seeking opportunities to provide and share expertise from our participation in all PSBs.

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18. Gareth O'Shea confirmed that a lot of work and considerable effort is being made by local teams to work with colleagues from Public Service Boards to share knowledge and expertise.

Habitat Creation – the Board sought clarification around the 230 hectares, red target and how this has fed into the Business Plan, with an opportunity to create a more robust set of actions.

19. Ceri Davies confirmed that NRW is trying to capture all additional habitat creation to feed into this target. The team are now working on a much more holistic approach with a quantitative and qualitative measure.

Commissioning Approach – concerns have been raised by some third parties about how this is progressing. Ceri Davies agreed to give an update at the February Board Call.

20. The Board concluded that the discussion and explanation from the Executive Team had been constructive and noted the opportunity for Board Members to visit sites and offices across NRW to develop knowledge on business delivery.

4. Finance Update (NRW B B 2.18)

21. Rob Bell joined the meeting to present the paper to the Board supported by Niall Reynolds.

22. The Board were asked to scrutinise the financial position for 2017/18 as at 30 November 2017, approve the revision to the 2017/18 Budget following the Quarter 3 Review of Budgets and finally to note the items sent to Welsh Government for approval since the last Board meeting.

23. Karen Balmer, Chair of the Audit and Risk Assurance Committee confirmed that the Committee had scrutinised the figures and added clarification to the commercial and timber income debt figure which had slipped, confirming that the slippage presented no significant concerns.

24. The Board asked whether the team had assessed the relationship between the slippage in the financial spend profile and the delivery of performance targets, noting that performance targets were slightly lower than expected. Gareth O'Shea assured the Board that both the financial and performance measures as well as underspend are discussed at directorate and appropriate levels across NRW.

25. Niall Reynolds confirmed that the Organisational Design resource plans gave opportunity for some over programming based on staff turnover in the organisation.

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Rob Bell confirmed that the reasons for underspend were not related to performance. Opportunities to carry forward underspend are being discussed with Welsh Government.

26. The Board sought additional clarification in the annex to support the underspend in the reserves budget for next presentation to the Board.

27. The Board approved the Revised Budget proposal.

28. The Board sought an update on the Enterprise Plan and Strategy.

Action Point: Tim Jones to present a briefing paper for the February Board Update call.

5. Internal Drainage Board Levies 2018/19 (NRW B B 3.18)

29. The Board was asked to consider for approval the Internal Drainage District special levies, drainage rates and precepts for 2018/19 proposed within the paper.

30. The Chair confirmed that delegation had been given to the FRMAG for consideration of this paper and welcomed an update from the Advisory group meeting held on Friday 12th January.

31. Madeleine Havard, Chair of the Advisory Group confirmed that the group had reviewed the proposals presented and recommended acceptance to the NRW Board. Madeleine explained that a consultation had been held with stakeholders.

32. The Board sought assurance and confirmation that the increase in costs sufficiently covered staff costs.

33. The Board advised that future papers containing proposed increases must sufficiently justify increases in charges, Rob Bell confirmed that this advice would be taken should charges increase for future financial years.

34. The Board approved the recommendations and charges as set out in the paper presented.

6. Reports

Paper: Chair's Report – NRW B B 4.18

35. Had been circulated and noted.

Paper: Board Members' Activities – NRW B B 6.18

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36. The Board noted development work underway to improve the reporting for Board Members' activities.

Paper: Chief Executive's Report – NRW B B 7.18

37. Kevin Ingram confirmed that his period as Interim Chief Executive had presented an excellent opportunity giving him wider exposure to working with stakeholders and operational areas across the business.

38. The Board noted the work undertaken developing and signing Memoranda of Understanding (MOUs) such as with the Wales Revenue Authority, and for information sought a list of all MOUs held by NRW.

Action Point: A document of all MOUs should be developed.

7. Minutes & Matters arising, Committees, Minutes & Matters arising

39. The Chair welcomed an update from Board Committees

- **People and Remuneration Committee (PaRC) - Paul Williams Chair of PaRC**

40. The Board formally ratified the Minutes of the meetings held in June and September 2017 and received a verbal update from December 2017, noting the following items discussed:

- Review Wellbeing, Health and Safety Update (Paper – NRW B B 7.18)
- Organisation Design update presentation from Niall Reynolds
- Staff recognition - proposal considered, Committee provided feedback for further development
- Job Evaluation - the Board is aware following the update call
- Update on employer liability claims
- Staff survey to be launched 25th January 2018

41. The Board noted the inclusion of the Forestry Health and Safety Review paper and confirmed that the Board will receive a briefing from Peter Garson at the March Board Meeting.

Action Point: Secretariat to note Forward Look presentation on Forestry Health and Safety for March Board Business Meeting.

- **Audit and Risk Assurance Committee (ARAC) - Karen Balmer Chair of ARAC**

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42. The Board formally ratified the Minutes of the meeting held on 14th July and received a verbal update from the 8th December 2017, noting the following items discussed:

- Annual Report and Accounts 2017/18 – these are likely to receive a qualified regularity opinion from the Auditor General Wales, as the forestry contracts which had given rise to the qualification in previous years, though running down, were still active and material during the year.
- Welsh Government Review of Arms' Length Bodies under way to conclude end of January with a definition of novel, contentious and repercussive
- Committee considered Internet Audit Reports
- Reviewed the status of the Organisation Design programme and Job Evaluation implementation
- Cyber security.
- VAT Review by Inland Revenue concluded with minimal issues
- General Data Protection Regulation readiness for May 2018
- Review of the Whistleblowing policy was discussed with an action identified to provide a named Board Member for staff contact in respect of non-financial matters

43. The Chair of ARAC thanked Madeleine Havard for providing support to cover apologies from Ruth Hall.

44. The Chair of ARAC confirmed that a briefing meeting for Board Members on ARAC is currently being arranged to discuss the UKWAS Audit report. The Chair noted the critical impact of the UKWAS report presenting high risk to NRW. The CEO confirmed he had written to the Minister with a meeting planned for 30th January 2018.

- Flood Risk Management Advisory Group– Madeleine Havard, Chair

45. The Board formally ratified the Minutes of the meeting held in October 2017, noting the minutes from July presented and received a verbal update from the 12th January 2018, noting the following items discussed:

- Capital works programme
- Flood Alleviation Scheme programme expenditure.
- Budget reductions - the impact of budget cuts on maintenance programmes is critical. Effective asset maintenance ensures upkeep and continued level of protection of delivered capital projects.

46. The Board noted the presentation that the Advisory Group had received on the Roath Flood Scheme Project, Gareth O'Shea to share with the Board during the February Update Meeting.

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47. The Board highlighted the options around natural flood assets and their maintenance. Gareth O'Shea confirmed that he could provide a briefing to the Board on a soft engineering project which NRW had been involved in.

Action Point: Gareth O'Shea to share soft engineering information with Board Members.

48. Madeleine Havard congratulated Rob Heather, a member of the previous Flood Risk Management Wales Committee on his inclusion within the New Year's Honours for work done around flood alleviation and management.

- **Protected Areas Committee – Andy Middleton Chair**

49. Andy Middleton confirmed that a site had been confirmed for designation during the meeting on 1st December 2017.

50. Andy Middleton highlighted a need for NRW to consider its management of designated sites and asked for a further discussion with Executive Team members to scope out a project and identify partnership working opportunities.

Action point: Ceri Davies to discuss and agree a way forward with Andy Middleton in respect of the management of designated sites before the next PAC meeting.

- **Public Service Boards – Update from Sub Group Chair, Howard C. Davies**

51. The Board noted the ongoing work reviewing draft plans from public bodies across Wales and the attendance by Howard C Davies at NRW's practitioner meetings. The Board noted the draft letter being developed by Ceri Davies for issue to the Future Generations Commissioner in respect of the feedback process followed by Public Bodies and how this is approached.

- **Charging Scheme 2018/19 update from Sub Group**

52. Nigel Reader, Sub Group Chair, sought delegation from the Board for the Sub-Group Chair, sought delegation from the Board for the Sub-Group to approve the charging proposals for 2018-19, if the deadline for submission to Welsh Government so required.

- **JNCC – Update from Madeleine Havard**

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53. Positive and engaging opportunity for everyone to meet in Cardiff for the joint JNCC and NRW meeting on the 29th of November. The meeting was very useful and covered post 2025 global biodiversity targets, Brexit and other topics.

54. Madeleine Havard is hoping to attend a British Ecological Society Conference happening in Manchester in May. The next JNCC meeting is in March to be held in Edinburgh.

55. The Board requested a standing agenda item for the Wales Land Management Forum update from Zoe Henderson its Chair.

Action: Secretariat to note WLMF update as a standing item.

8. New fishing controls for salmon and sea trout in Wales: proposed application to Welsh Government for confirmation of new rod and net fishing byelaws (NRW B B 8.18)

56. Pete Gough joined the meeting to give an over view presentation to the Board and sought approval for the recommendations noted within the paper.

57. The Chair thanked Ceri Davies and Pete Gough for the presentation noting the statutory duty held by NRW to sustainably manage the natural resources of Wales alongside responsibilities under the Wellbeing of Future Generations Act. The Board noted the strong concerns expressed by stakeholders via email correspondence submitted ahead of the Board Meeting. All correspondence had been shared with all Board members.

58. Pete Gough highlighted the following during the presentation:

- NRW awaits the Environment Agency decision in respect of cross border issues relating to the River Severn
- Case for change is driven by depleted stocks and broader assessments
- Consultation period ended in November 2017 with results within annex
- Noted several learning points from the consultation responses
- Noted amendments to original proposals, in response to representations and advice received, including hook types on lures and flies and the seasonal use of shrimps as bait, and a proposed early end to catch-and-release on the River Usk
- The 2-year process delivered by NRW, which was considered to be too long and in need of improvements
- A need to improve partnership working with stakeholders to build up trust
- A clear and urgent need to act to protect stocks that are not sustainable

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- Current catch and release practice is good but needs to be improved
- Almost all Salmon stocks are in ongoing decline, but this is due to a complex set of reasons

59. The Chair noted the presentation on behalf of the Board and noted the wider issues to be addressed around habitat restoration and pollution in rivers.

60. Board Members debated the recommendations presented in detail, including a proposal to extend the currently largely voluntary catch-and-release scheme for a further 12 months whilst engaging with key stakeholders including the angling community and farmers to improve water quality by reducing pollution in catchment areas.

61. Board Members noted the:

- vital importance of improving water quality in rivers
- need to develop an All-Wales river restoration plan
- need for a longer-term vision finding common ground and a wider strategy
- need to improve engagement with all key stakeholders taking a collaborative approach to increasing fish stock levels
- requirement for NRW to develop, maintain and deliver the sustainable management of natural resources
- delivery of commitments under the Wellbeing of Future Generations Act
- need for NRW to be clear how enforcement will be delivered for the proposed mandatory catch and release of fish and the important duty to develop and maintain fish stocks.

62. The Executive Team confirmed their review and support for the recommendations presented.

63. In conclusion, after much discussion, the Board gave approval for an application to be made to Welsh Government for confirmation of proposed (amended) new byelaws for rod and net fishing for salmon and sea trout in Wales as per the proposal contained in the paper.

64. The Board also requested further work be undertaken to develop relationships with key stakeholders and to develop river restoration plans.

Action Point: Ceri Davies to develop River Restoration Plans, providing an update to the February Board Update Call and inclusion on the Forward Look as a substantive item for Board review.

65. Meeting Closed.

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8. Close of meeting Public Forum (15 minutes)

66. An opportunity for questions and answers as well as to give feedback was extended to members of the public in attendance.

Public Questions – (Summary only)

1. Roger Cooper – confirmed that he had submitted questions to the Secretariat and had taken the opportunity to discuss with the Executive Team during the lunch break.
2. Richard Thomas – highlighted to the Board the importance of engagement with stakeholders and a need for NRW to identify wider issues affecting fish stocks in Wales.
3. Chris White – The Board noted the comment that 18 years of catch and release have seen little change in fish stocks, some anglers will continue to catch and retain fish.
4. Reuben Woodford – Registered disappointment with the decision taken.
5. Steve Marsh-Smith – Referred to questions submitted to Secretariat in respect of spraying, Business to co-ordinate a response.
6. Richard Garner-Williams – Sought reassurance from the Board on the follow up on the recommendations made including river restoration plans.